



## Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

C.L. Butch Otter, Governor

Paul Kjellander, Commissioner  
Mack A. Redford, Commissioner  
Marsha H. Smith, Commissioner

*Case No. ORE-T-14-01, Order No. 33158*

*Contact: Gene Fadness (208) 334-0339, 890-2712*

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## Increases for rural telephone company phased in over 4 years

**BOISE (Nov. 3, 2014)** – The Idaho Public Utilities Commission approved an application by Oregon-Idaho Utilities to phase-in a telephone rate increase for the telecommunications company's approximate 81 customers in rural southwest Idaho.

Customers' current monthly rate of \$15.77 will increase to \$20 over four years, with the first increase, to \$16 effective Dec. 1 of this year. The rate increases to \$18 on June 1, 2016, and then to \$20 on June 1, 2017.

Oregon-Idaho Utilities has not increased its Idaho residential rate since 1990.

The increase is required by the Federal Communications Commission if Oregon-Idaho Utilities wants to continue to receive federal high-cost support from the FCC's Connect America Fund (CAF). The FCC created the Connect America Fund to spur development of cellular broadband in rural areas. The fund is an update of the federal Universal Service Fund created in 1988 to make telephone service available at reasonable cost in rural areas.

In order to qualify to receive the federal support, the FCC established a minimum rate of \$20.46 that local companies must charge their customers. The \$20 rate reached on June 1, 2017, combined with other state fees, will increase residential services to beyond the \$20.46 "rate floor" established by the FCC.

The federal support helps rural companies provide service in areas where greater distances and fewer customers make providing service more costly than in urban areas. The South Mountain Exchange served by Oregon-Idaho Utilities covers 2,126 square miles and represents some of the most difficult to serve customer locations in southwest Idaho. About one-third of the customers have no access to commercial power and rely on gas lamps, lanterns and/or low-grade solar power for lighting. Some homes are heated by wood or oil-burning stoves.

All Idaho telephone customers, including cellular customers, pay into the Connect America Fund so that rates in rural, high-cost can stay comparable to urban rates. The monthly

assessment for all Idaho telephone and cellular users is 16 cents per residential line, 25 cents per commercial line and \$.006 per intrastate long-distance billed minute.

Copies of the commission's final order along with other documents related to the case are available on the commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "Open Cases," under the "Telecom" heading and scroll down to Case No. ORE-T-14-01.

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